

**ICFA LEASE PURCHASE INITIATIVE
Sources and Uses**

\$50,000,000.00

Sources

Amount

Lender Commitment Fee(s)

\$500,000.00

total sources

\$500,000.00

Uses

ICFA Program Fee

\$62,500.00

ICFA Transaction Counsel Fee

\$37,500.00

EMG Structuring Fee

\$250,000.00

EMG Administration Fee

\$125,000.00

Escrow Agent Fee (5 years)

\$25,000.00

total uses

\$500,000.00

\$50,000,000
INDEPENDENT CITIES FINANCE AUTHORITY
MARKET RATE LEASE PURCHASE HOMEOWNERSHIP INITIATIVE
SERIES 2014

FINANCING SCHEDULE

Jul-14						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
						5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Aug-14						
Su	M	Tu	W	Th	F	Sa
						1
						2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Sep-14						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
						6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Oct-14						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Nov-14						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Dec-14						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
						6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

<u>Date</u>	<u>Action(s)</u>	<u>Participants</u>
Thursday, July 31, 2014	Submit preliminary approval request for Program authorization to potential investors/guarantors.	EMG
Friday, August 29, 2014	Identify and document prospective sources of eligible applicants and available properties.	EMG
Tuesday, September 30, 2014	Receive preliminary approval for Program authorization from potential investors/guarantors.	ICFA, EMG
Wednesday, October 01, 2014	<i>Conference Call to review documents, program structure, and proposed financing schedule;</i> Program Sponsor's Counsel circulates initial draft of Sponsor and Servicing Agreement.	ALL; TBD
Monday, October 06, 2014	Structuring Agent circulates initial draft of Program Summary Handbook.	EMG
Wednesday, October 15, 2014	Comments on initial drafts of Sponsor and Servicing Agreement due to Program Sponsor's Counsel.	ALL
Monday, October 20, 2014	Comments on initial draft of Program Summary Handbook due to Structuring Agent.	ALL
Wednesday, October 22, 2014	<i>Conference Call to review documents and program structure;</i> Program Sponsor's Counsel circulates 'Blackline' version of Sponsor and Servicing Agreement.	ALL; TBD
Monday, October 27, 2014	Structuring Agent circulates 'Blackline' version of Program Summary Handbook.	EMG

Wednesday, October 29, 2014	Comments on 'Blackline' version of Sponsor and Servicing Agreement due to Program Sponsor's Counsel.	ALL
Friday, October 31, 2014	Receive tentative commitments to participate from prospective Lenders.	ICFA, EMG
Monday, November 03, 2014	Comments on 'Blackline' version of Program Summary Handbook due to Structuring Agent.	ALL
Wednesday, November 05, 2014	<i>Conference Call to review documents and program structure;</i> Program Sponsor's Counsel circulates revised 'Blackline' version of Sponsor and Servicing Agreement; Structuring Agent circulates revised 'Blackline' version of Program Summary Handbook.	ALL; TBD; EMG
Monday, November 10, 2014	Final comments on revised 'Blackline' version of Sponsor and Servicing Agreement due to Program Sponsor's Counsel; Final comments on revised 'Blackline' version of Program Summary Handbook due to Structuring Agent.	ALL; ALL
Friday, November 14, 2014	Program Sponsor's Counsel circulates final version of Sponsor and Servicing Agreement; Structuring Agent circulates final version of Program Summary Handbook; Structuring Agent sends final version of Sponsor and Servicing Agreement, Program Summary Handbook, and Offer to Originate to prospective Lenders.	TBD; EMG EMG
Friday, December 12, 2014	Prospective Lenders submit Offer to Originate and Allocation Commitment Fees to Program Sponsor.	LENDERS
Week of December 15, 2014	Receive final approval for Program authorization from investors/guarantors; Begin conducting Lender, Builder, and Realtor Training Sessions.	ICFA,EMG; EMG, CM, LENDERS
Wednesday, December 17, 2014	Program Sponsor approves Resolution(s) authorizing the execution of documents and implementation of the Program.	ICFA, TBD
Wednesday, December 31, 2014	Program Origination Period begins.	EMG, CM, LENDERS

\$50,000,000
INDEPENDENT CITIES FINANCE AUTHORITY
MARKET RATE LEASE PURCHASE INITIATIVE
SERIES 2014

LEGEND OF SYMBOLS

<u>Participant</u>	<u>Firm Name</u>	<u>Symbol</u>
Program Sponsor:	Independent Cities Finance Authority	ICFA
Program Sponsor's Counsel:	To Be Determined	TBD
Structuring Agent:	Emerging Markets Group LLC	EMG
Structuring Agent's Counsel:	To Be Determined	TBD II
Master Servicer:	Carrington Mortgage	CM
Master Servicer's Counsel:	Carrington Mortgage - Legal	CM-L
Lease Servicer:	Carrington Property Services	CPS
Program Administrator:	Emerging Markets Group LLC	EMG
Escrow Agent:	To Be Determined	TBD III
Mortgage Guarantor:	Freddie Mac	FHLMC
Mortgage Guarantor's Counsel:	Freddie Mac - Legal	FHLMC-L
Property Manager:	Carrington Property Services	CPS
Mortgage Insurance Provider(s):	Radian Guaranty, Inc./PMI/MGIC	RG/PMI/MGIC

RESOLUTION NO. 2014-2

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM

WHEREAS, the Independent Cities Lease Finance Authority, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), is authorized to issue bonds pursuant to Chapter 8 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to finance the acquisition of mobile home parks by nonprofit organizations within the jurisdiction of the Authority; and

WHEREAS, the California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650 of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April 2004; and

WHEREAS, the Authority wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$1,500,000.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

SECTION 1. The Authority shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on April 29, 2014 which will request a funding allocation for the following activities:

(a) The administration of a home buyer assistance program that will provide up to \$60,000 in down payment assistance for eligible home buyers within the jurisdiction of the Independent Cities Lease Finance Authority. The Authority will promote and market the program through its members and to the general public, sponsor and participate in home buyer education workshops, recruit and train mortgage and real estate professionals interested in using the Authority's CalHome program to assist their clients, determine homebuyer eligibility for CalHome assistance, gather documentation related to the approval of loan applications, coordinate with closing agents and fund approved CalHome down payment assistance loans, prepare post-closing loan files for submission to the Authority's loan servicing agent, prepare and submit CalHome grant program productivity reports to HCD as required and conduct ongoing monitoring of the Authority's CalHome loan portfolio.

(b) The Authority anticipates entering into agreements with the Southern California Partners in Home Ownership (aka Los Angeles Partners in Home Ownership) and Best Capital Community Loan Servicing for some aspects of the administration of this grant application.

SECTION 2. Authorization to Executive Director. If the application for funding is approved, the Authority hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. The Executive Director, upon consultation with the General Counsel, may execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

SECTION 3. The Authority authorizes the President and/or Executive Director to execute in the name of the Authority, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

SECTION 4. Effective Date. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE AUTHORITY
THIS 25TH DAY OF JUNE, 2014.

President

Secretary/Executive Director

I, Deborah Smith, Secretary and Executive Director of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors/Executive Committee of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the 25th day of June, 2014, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith, Secretary and Executive Director
of the Independent Cities Finance Authority

CalHome Program

Application for General Program Funding NOFA

Mortgage Assistance and/or Owner-Occupied Rehabilitation

California Department of Housing and Community Development
Financial Assistance Division
P.O. Box 952054, Sacramento, CA 94252-2054
Or
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833

This application, if approved for funding, will be a part of your Standard Agreement with the Department of Housing and Community Development (HCD). In order to be considered for funding, all sections of this application, including attachments and exhibits, must be complete and accurate. **Application forms must not be modified.** No facsimiles, incomplete applications, or application revisions will be accepted prior to, or after the application deadline. Applications must meet all eligibility requirements upon submission. Applications containing material internal inconsistencies will not be rated and ranked. Use **Exhibit A**, Attachment Checklist, as an aid in completing the application. HCD must receive in its office a complete original application in a three ring binder **no later than July 10, 5:00 P.M. 2014.**

For purpose of this NOFA, this will be a Program NOFA which will include first-time homebuyer mortgage assistance activities and owner-occupied activities.

SECTION I. APPLICATION SUMMARY:

- A. Name of Applicant: _____
- B. Applicant Address: _____
City: _____ Zip Code: _____
- C. Chief Executive Name and Title: _____
- D. Contact Person Name and Title: _____
- E. Phone Number: _____ FAX: _____ E-Mail: _____
- F. Proposed Activity:

You may apply for one or two program activities, the aggregate amount of both activities may not exceed the maximum application amount, and the amount for any one activity may not be less than the minimum activity amount, as specified in the NOFA. The maximum amount is \$1 Million for most jurisdictions or \$1.5 Million for High Population Areas. Only apply for the amount that you know you can use. Recipients who do not use at least 95% of their funds will be penalized in future funding rounds for not meeting performance goals. Localities shall only be eligible to apply for an award of CalHome funds for a local program within its jurisdictional boundaries. A nonprofit corporation may propose programs in a county or counties in which they have operated a housing program within the past 4 years, or in a county or counties for which the nonprofit corporation has an existing 523 technical assistance services agreement with the United States Department of Agriculture.

Activity: Submit Appropriate Attachment Number	No. of CalHome Assisted Units Proposed	County or Counties of Activity	Census Tracts if Proposing 100% Rural Activity*
1.FTHB Mortgage Assistance Program			
2.Owner-Occupied Rehabilitation Program			
1) Total			

* If your activity is located entirely within a rural census tract or non-metro county as defined in the CalHome Program Regulations and you want to receive consideration for the rural set-aside, you must provide the census tract or tracts or list the non-metro county information in the table above. If the proposed area is rural, applicants must indicate census tract numbers in order to receive consideration under the rural set-aside. Programs in rural census tracts must document that their program is located in a rural area. Follow the steps outlined below to determine if your proposed program is located in a rural area, and to document this rural area status. Programs located in the following counties do not have to provide documentation of their rural status, and will be considered rural applicants:

Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity and Tuolumne.

Below are two alternate ways to qualify if your site is not located within one of the counties listed above:

Alternative 1: Rural Housing Services (RHS) Eligible Area – With an established address, go to the USDA Rural Development website to qualify if the site is RHS-eligible:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Once on the website, look to the left hand side of this page and click on "Income and Property Eligibility". On the page that follows, under "Property Eligibility", click on your program type (single family) and follow the instructions so that you may enter your program address. If your program is RHS-eligible, you will be able to print a map indicating that the program is eligible. Submit this documentation with your application.

If your program is not listed as RHS eligible, or if you do not yet have a site address, go to Step 2.

Alternative 2, Step 1: Small City Status - Is your program located within or adjoining a city with a population of 40,000 or less that is not part of a Census-designated urbanized area?

Go to the State Department of Finance website to verify the city's population estimate:

<http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php>

If the city has a population of 40,000 or less, print the page of Table E-1 which indicates this, and go to Step 3. If the city is more than 40,000, STOP. Your program may not be located in a rural area. Proceed to Step 2 to confirm if your area is rural or not.

Step 2: Census Map - If the proposed program is located in an incorporated city of 40,000 or less, or in the unincorporated area adjoining that small city, the program may be considered rural if the program's census tract is not designated "as an urbanized area" or "part of an urbanized area."

a) Go to the Census Bureau's 2010 Census website at:

<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

b) Under “Access Data by Geography” select the “street address” link (regardless of whether the program has an established address).

c) On the subsequent screen, enter the program’s address or that of another nearby property located within the same census tract (as close to the program as possible). Select “Go” and additional information will display at the bottom of the page.

d) Select “Census Tract” in the Geographies section of the enhanced screen and select “Map It.”

e) Print the census tract map provided and your jurisdiction’s population estimate from Table E-1, (see Step 1 above), and submit these two documents with the application. The map may show the census tract as “urban” according to the legend provided with the map. However, the census tract will only be considered urban if the map includes bold face type with a “UA” designation. If the map includes no such designation, or shows the census tract as urban but has a “UC” designation, the census tract is still considered rural.

If you tried both of these alternatives and the end result shows that your program is not classified as rural but you believe that it should be considered rural, or if you have other questions, problems, or concerns in determining rural designation pursuant to the above process, please contact Raymond Victor at (916)263-2725.

SECTION II. LEGISLATIVE REPRESENTATIVES:

A form is included in this application labeled **Exhibit B**. Please complete the information on this form and attach as **Attachment 5**.

SECTION III. GOVERNING BOARD RESOLUTION:

Attach the resolution, duly executed by the governing board of the local public agency or nonprofit corporation, granting authority to make an application to HCD for a funding commitment from the CalHome Program. Label as **Attachment 6** Governing Board Resolution. Please review the sample resolution which is included in this application package as **Exhibit C**. Be sure that the resolution authorizes a signatory for submittal of this application and the resolution is an action of the governing body of the applicant. If someone signs the application other than the person authorized in the resolution, submit evidence that shows that the person signing has the authorization to sign. Such evidence could be in the form of an ordinance or code, or an opinion from the applicant's legal counsel. Include such authorization with **Attachment 6**.

SECTION IV. APPLICANT INFORMATION:

A. The applicant is a (check one): City County City and County Nonprofit Corporation

1. If a Nonprofit Corporation, Submit copies of:

IRS approval of 501(c) (3) status: as **Attachment 7a**

Secretary of State Letter of Good Standing: as **Attachment 7b**

Articles of Incorporation: as **Attachment 7c**

Bylaws: as **Attachment 7d**

List of names of Board of Directors: as **Attachment 7e**

Financial Statements (for the last 2 fiscal years, one of which must be must be audited): as **Attachment 7f**

SECTION V. ACTIVITY ATTACHMENT:

Applicants must complete at least one attachment:

Attachment 1, First-Time Homebuyer Mortgage Assistance, or
Attachment 2, Owner-Occupied Rehabilitation Program

These attachments are part of this application. At least one must be completed and must be included or the application will not be complete and will be ineligible for funding consideration.

SECTION VI. APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY:

As the official designated by the governing body, I hereby certify that if approved by HCD for a CalHome Program funding allocation, the _____ (Applicant name) assumes the responsibilities specified in the CalHome Program Regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute their proposed program or project;
- B. Before committing funds to a homebuyer/homeowner, it will evaluate the funding eligibility in accordance with CalHome Program Regulations and will not invest any more CalHome funds in combination with other governmental assistance than is necessary to provide affordable housing;
- C. The Applicant **does not** have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs;
- D. There are **no** pending lawsuits that would impact the implementation of this program or project;
- E. It will comply with all statutes and regulations governing the CalHome Program;
- F. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct;
- G. It has the ability to perform the duties for the activity(s) applied for in accordance with Section 7718 of the CalHome Program Regulations.

I authorize the Department of Housing and Community Development to contact any agency, whether or not named in this application, which may assist in determining the capability of the Applicant. All information contained in this application is acknowledged to be public information. (This certification must be signed by the person authorized in the Resolution.)

*Signature: _____ Title: _____

Type Name: _____ Date: _____

*Must be signed by authorized signatory per the resolution.

EXHIBIT A

Attachment Checklist

Please tab each attachment required by the application and place the attachments behind the completed application in a three ring binder according to the corresponding number listed below.

Check if Included	Att. No.	Attachment Title
	1	Program: First-time Homebuyer Mortgage Assistance Program
	2	Program: Owner-Occupied Rehabilitation Program
	3	Documentation regarding population over 400,000 for requesting funds over \$1,000,000 (up to \$1,500,000)
	4	Additional Documentation
	5	Legislative List
	6	Copy of Resolution authorizing this application. As a time-saver, the Resolution may also authorize execution of the contract and other documents needed to process a loan
	Bonus-A	Energy Efficient/Green Building Standards
	Bonus-B	Universal Design Standards
		Nonprofit corporations must provide the following information:
	7a	IRS approval of 501(c)(3) status
	7b	Copy of current certification of 501(c)(3) status with Secretary of State that is less than one year old
	7c	Copy of Articles of Incorporation
	7d	Copy of Bylaws
	7e	List of officers and Board of governing body of Applicant
	7f	Financial Statements (one of the last 2 years must be audited)

Exhibit B

LEGISLATIVE REPRESENTATIVES

Indicate all Legislators who represent any portion of the proposed service area. If you have vacancies in your legislative seats, please list your district number and district address.

A. Members of the State Assembly:

District number: _____
Name: _____
District _____
Address: _____
City: _____
Zip Code: _____

District number: _____
Name: _____
District _____
Address: _____
City: _____
Zip Code: _____

B. Members of the State Senate:

District number: _____
Name: _____
District _____
Address: _____
City: _____
Zip Code: _____

District number: _____
Name: _____
District _____
Address: _____
City: _____
Zip Code: _____

C. Members of the U.S. House of Representatives:

District number: _____
Name: _____
District _____
Address: _____
City: _____
Zip Code: _____

District number: _____
Name: _____
District _____
Address: _____
City: _____
Zip Code: _____

EXHIBIT C

SAMPLE GOVERNING BOARD RESOLUTION

RESOLUTION NO. _____

THE GOVERNING BOARD OF

(Title of Applicant)

HEREBY AUTHORIZES THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

WHEREAS:

- A. _____ (name of applicant), a [political subdivision of the State of California or nonprofit public benefit corporation], wishes to apply for and receive an allocation of funds through the CalHome Program; and
- B. The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April 2004; and
- C. The _____ (name of applicant) wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$_____.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The _____ (name of applicant) shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on _____ which will request a funding allocation for the following activities:

(Briefly describe the proposed activities, including dollar amount of each)

located in _____
[Program/project location(s)]

- 2. If the application for funding is approved, the _____ (name of applicant) hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

3. The _____ (name of applicant) authorizes _____ [office or position titles of authorized person(s)] to execute in the name of the _____ (name of Applicant), the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

PASSED AND ADOPTED THIS ____ Day of _____, 20 _____, by the following vote:

AYES: _____ NAYS: _____ ABSTAIN: _____ ABSENT: _____

The undersigned _____ (title of officer) of the _____ (name of applicant) there before named does hereby attest and certify that the foregoing is a true and full copy of a resolution of the Governing Board adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

Signature _____ Date _____

NOTES:

1. This is intended to be a sample resolution authorizing submittal of an application to HCD. **Applicants may use their own format if it contains all of the authorizations contained in this sample.**
2. The sample resolution should be modified by nonprofit organizations as appropriate to meet the corporate structure of the nonprofit organization.
3. **The person attesting to the signing of the resolution cannot be the same person who is authorized to execute documents in the name of the applicant.**
4. The resolution must be the original or a certified copy of the original.

EXHIBIT D

Cities and unincorporated areas of counties in California with population over 400,000:

- City of Los Angeles
- City of San Diego
- Unincorporated Los Angeles County
- City of San Jose
- City and County of San Francisco
- Unincorporated Sacramento County
- City of Long Beach
- Unincorporated Riverside County
- Unincorporated San Diego County
- City of Fresno
- City of Sacramento

In our current NOFA, these jurisdictions will be able to apply for an aggregate maximum award of \$1,500,000.

Regarding the situation where the County operates their programs in the small cities within the county as well as the unincorporated areas, we would allow the aggregate population of the unincorporated areas plus these small cities to be combined for determining the maximum award amount only where we have letters/resolutions from the included small cities verifying the County's authority to operate within the cities.

CalHome Program Application

Attachment 1 First-Time Homebuyer Mortgage Assistance Program

This Application form is for homebuyer mortgage assistance to first-time homebuyers of new or existing homes, or for purchase of existing homes to be rehabilitated by the homebuyer. An applicant may only apply for funds under this attachment when it will be providing the services required in Section 7729 of the program regulations.

SECTION I. APPLICANT INFORMATION

Name: _____

SECTION II. FIRST-TIME HOMEBUYER PROGRAM EXPERIENCE

A. Provide the following information for each year of first-time homebuyer program operation for 12 consecutive months, by calendar year. Applicant organizations should only list those homebuyer units for which they provided the mortgage assistance services.

YEAR	PERMANENT FINANCING FUNDING SOURCE(S)	NO. OF PURCHASE ESCROWS UNDERWRITTEN AND CLOSED	AVERAGE AMOUNT OF ASSISTANCE PROVIDED PER BUYER
2013			
2012			
2011			
2010			
2009			
2008			
2007			
2006			
2005			
2004			

B. For years 2009 through 2013, provide a narrative of applicant's history and experience with the proposed activity, including evidence of program operation for each year listed: e.g.,

board resolution authorizing the program; award letters; program financial pages from annual audit, annual reports or other evidence that will demonstrate program operation. **(Attach as Exhibit 1-1)**

SECTION III. LOAN UNDERWRITING EXPERIENCE

- A. For the years 2009 through 2013, the total number of homebuyer loans applicant has underwritten and closed, which included preparation of loan documents and escrow instructions. # _____

SECTION IV. LOAN SERVICING EXPERIENCE

- A. For the years 2009 through 2013, the total number of homebuyer loans closed for which the applicant was the named beneficiary on the loan documents. # _____
- B. As of the CalHome NOFA issuance date, the total number of homeowner loans in the applicant's portfolio. # _____
- C. Number of loans identified in B. above that are being directly serviced by the applicant. # _____
- D. Number of loans identified in B. above that are being serviced by a third party. # _____
- E. As of the CalHome NOFA issuance date, the total number of homebuyer loans the applicant is servicing for another entity. # _____
- F. If there are zero loans identified in C, D **and** E, submit a narrative identifying how loans will be serviced, how the servicing activities will be funded or provided and the procedures for implementing loan servicing operations. **In addition** to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the applicant that describes the employee(s)'s experience in homeowner loan servicing. **(Attach as Exhibit 1-2)**

SECTION V. PROGRAM TARGETING

- A. Number of homebuyers to be assisted with this application for CalHome funds # _____
- B. Program will be operated **entirely within a federally defined Qualified Census Tract(s) located in Appendix B in the training manual** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):
Yes _____ No _____
Federally defined Qualified Census tract(s) No. _____

- C. Nonprofit corporations must list the county or counties in which the program will be operated.
County/counties _____

D. Provide the data source used to project median sales price:

SECTION VI. FINANCING AND AFFORDABILITY

A. Proposed Permanent Financing (other than CalHome) (check all that apply):

- Conventional FHA CalHFA USDA-Rural Development
 Federal HOME Other

Describe the financing structure, first mortgage and any subordinate financing in addition to CalHome that will finance the purchase of the properties.

Source of Financing	Proposed Lien Position

B. Projected Average Housing Cost and Affordability:

1. Expected Average Sales Price, Less Homebuyer Equity:
\$ _____
2. Less Average CalHome Mortgage Assistance to be given:
\$ _____
3. Less Average Other Mortgage Assistance to be received, if any:
\$ _____
4. Average First Mortgage:
\$ _____
5. Estimated Monthly Payment on First Mortgage (PITI):
\$ _____
6. Annual Income Needed to Support above Payment
\$ _____
(Based on the homebuyer paying 30% of gross annual income for PITI)

SECTION VII. CONTRIBUTED LABOR PROGRAMS – Self-Help, Volunteer Labor and Youth Construction Training Labor.

Important Note: Only complete this section, if the applicant meets the two-year minimum experience requirement for operation of a program, a minimum of 500 hours of onsite contributed construction labor per assisted unit must be provided, and that financed purchase of homes involving this type of construction or developed homes involving this type of construction and the entire program will be restricted to units involving this type of construction.

A. Check if project involves any of the following types of contributed onsite construction labor:

1. Self-Help labor: Yes _____ No _____

2. No. of hours of guaranteed self-help onsite construction labor per unit: _____ hrs

2. Volunteer labor: Yes _____ No _____

No. of hours of guaranteed volunteer onsite construction labor per unit: _____ hrs

3. A youth construction skills training program: Yes _____ No _____

Name of program: _____

No. of hours of guaranteed youth construction training onsite construction labor per unit, provided by participants age 16 to 24 years old only: _____ hrs

4. **If the answer to A. 1, 2 or 3 above is yes**, indicate the minimum number of onsite construction labor hours per unit to be provided by the homebuyer: _____ hrs

B. Describe the criteria for participation in your contributed labor program. **(Attach as Exhibit 1-4)**

C. Attach a copy of the agreement form used for the contributed labor program. **(Attach as Exhibit 1-4a)**

D. Provide description of activities performed by contributed labor participants. **(Attach as Exhibit 1-4b)**

E. Provide description of activities normally contracted out. **(Attach as Exhibit 1-4c)**

F. What percentage of total onsite construction labor per unit will be performed by contributed labor: _____%

Please provide evidence of previous administration of the type of contributed labor program proposed in this application. This could include, but not be limited to, the nonprofit corporation charter or a copy of the board resolution authorizing the program supported by documentation of completed projects; or copies of contracts with contributed labor participants. **(Attach as Exhibit 1-4d)**

SECTION VIII. HOMEBUYER EDUCATION

A. Does the applicant currently provide homebuyer education classes?

Yes _____ No _____

If not, describe arrangements for providing homebuyer education in Attachment 4 - Additional Documentation.

**SECTION IX. BONUS POINTS FOR NEW POLICY OBJECTIVES
MORTGAGE ASSISTANCE ACTIVITIES ONLY**

A. Energy Efficient / Green Building features (Attach as Bonus Exhibit A)

Bonus points will be given in the scoring of this application for applicants that use their mortgage assistance loans for home purchase transactions where the units purchased are developed by including the mandatory or voluntary exclusively green building measures (see Appendix A4 at http://www.hcd.ca.gov/codes/shl/2010_CA_Green_Bldg.pdf). For the submission of your application, you may self-certify that you intend to meet the CALGreen Tier 1 or Tier 2 design criteria (see application self-certification check list and attach as Bonus Exhibit A of the Application). An architect or the local inspection agency must certify that the design actually meets the criteria for CALGreen Tier 1 or Tier 2 specified in the Code. If bonus points are assigned to your application for this, it will be a condition of your contract and will affect all loans.

Yes _____ No _____

B. Targeting homeownership units that meet universal design standards (Attach as Bonus Exhibit B)

Bonus points will be given in the scoring of this application for applicants that use their mortgage assistance loans exclusively for home purchase transactions where the units purchased are developed by meeting the following universal design standards:

- Provide at least one no-step entrance with beveled threshold. This may be at the front, side or back of the unit.
- Make doorways throughout the unit at least 32 inches wide and hallways at least 36 inches clear width.
- Reinforce walls around the toilet, bathtub and shower stall in order that grab bars may be added at a later time, if needed.
- Install light switches and electrical controls no higher than 48 inches and electrical plugs no lower than 15 inches above the floor.
- Install lever handles on all doors and plumbing fixtures.

Yes _____ No _____

CalHome Program Application

Attachment II

Owner-Occupied Rehabilitation Program

This Application form is for rehabilitation of owner-occupied homes. An applicant may only apply for funds under this attachment when it will be providing the services required in Section 7733 and Section 7735 of the program regulations.

SECTION I. APPLICANT INFORMATION

Name: _____

SECTION II. OWNER-OCCUPIED REHABILITATION PROGRAM EXPERIENCE

- A. Provide the following information for each year of owner-occupied rehabilitation program operation for 12 consecutive months, by calendar year. Applicant organizations should only list those rehabilitated units for which they provided the rehabilitation services including loan underwriting and escrow closing.

YEAR	FUNDING SOURCE(S)	NO. OF HOME REHABILITATIONS COMPLETED	NO. OF ESCROWS CLOSED BY APPLICANT ORGANIZATION	AVERAGE AMOUNT OF ASSISTANCE PROVIDED PER OWNER
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				

- B. For years 2009 through 2013, provide a narrative of applicant's history and experience with the proposed activity, including evidence of program operation for each year listed: e.g., board resolution authorizing the program; award letters; program financial pages from annual audit, annual reports or other evidence that will demonstrate program operation. **(Attach as Exhibit 2-1)**

SECTION III. LOAN UNDERWRITING EXPERIENCE

- A. For the years 2009 through 2013, the total number of homeowner rehabilitation loans applicant has underwritten and closed, which included preparation of loan documents and escrow instructions. # _____

SECTION IV. LOAN SERVICING EXPERIENCE

- A. For the years 2009 through 2013, the total number of all types of homeowner rehabilitation loans closed for which the applicant was the named beneficiary on the loan documents. # _____
- B. As of the CalHome NOFA issuance date, the total number of homeowner rehabilitation loans in the applicant's portfolio. # _____
- C. Number of loans identified in B. above that are being directly serviced by the applicant. # _____
- D. Number of loans identified in B. above that are being serviced by a third party. # _____
- E. As of the CalHome NOFA issuance date, the total number of homeowner loans the applicant is servicing for another entity. # _____
- F. If there are zero loans identified in C, D **and** E, submit a narrative identifying how loans will be serviced, how the servicing activities will be funded or provided and the procedures for implementing loan servicing operations. **In addition** to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the applicant that describes the employee(s)'s experience in homeowner loan servicing. **(Attach as Exhibit 2-2)**

SECTION V. PROGRAM TARGETING

- A. Number of homeowners to be assisted with this application for CalHome funds # _____
- B. Program will be operated **entirely within a federally defined Qualified Census Tract(s) located in Appendix B in the training manual** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):
Yes _____ No _____
Federally defined Qualified Census tract(s) No. _____

- C. Nonprofit corporations must list the county or counties in which the program will be operated.
county/counties _____

SECTION VI. FINANCING

A. Subordinate Financing (other than CalHome) (check all that apply):

Describe the financing structure for any subordinate financing to be provided in addition to the CalHome loan. Do not list the CalHome loan:

Source of Financing	Proposed Lien Position*

***Note: Assume the existence of a first mortgage.**



Ken Spiker

And Associates, Inc.

Advocacy

Government Consultants □ Legislative

April 14, 2014

Debbie Smith
Executive Director
Independent Cities Finance Authority (ICFA)

Subject: Government Consulting Proposal

Dear Debbie,

As discussed, please accept this communication as our proposal to provide ICFA with ongoing government consulting services in support of the overall objective to secure the County of Los Angeles as an Associate Member of ICFA.

ICFA desires to retain Ken Spiker And Associates (KSA) to perform the government relations activities because of KSA's previous consulting relationship with ICFA and its unique and long-standing personal relationships with decision makers in the County of Los Angeles.

Description of Firm

Formed in 1984, Ken Spiker And Associates, Inc. (KSA) is dedicated to facilitating the efforts of private enterprises and government agencies. As one of Southern California's senior government consulting firms, KSA offers clients multi-faceted strategies to create opportunities and solve problems. KSA's targeted consulting services help corporations, organizations, and individuals navigate through the public process and build support for their objectives through timely and effective advocacy.

KSA analyzes situations in light of pending legislation, prevailing public policy, and decision makers' attitudes to formulate an effective strategy for merging its clients' goals with the objectives of public officials. The Los Angeles based firm represents numerous clients before the Los Angeles County Board of Supervisors, the Los Angeles City Council, and various other Cities and public agencies in the region.

Scope of Services

To assist ICFA in this effort, KSA proposes to undertake the following actions:

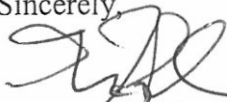
- Provide consulting and advisory services to ICFA principal management official(s) and/or designated representative(s);
- Conduct preliminary study regarding feasibility of the County of Los Angeles becoming an ICFA Associate Member;
- Report preliminary study findings to ICFA and recommended next steps;
- Assist with educating Los Angeles County officials on the activities and advantages of ICFA membership ;
- Serve as a political strategic advisor, a source of reliable County information, and a meeting facilitator. This includes introducing ICFA representatives to key County decision makers.
- Assist with arranging meetings with appropriate public officials, and others who would be in the position to enter into negotiations on behalf of the County of Los Angeles;
- Continue to monitor and remain in service as is necessary to insure smooth continuing relationships with the County of Los Angeles.
- Provide advice regarding strategic charitable and political contribution budgets.

The term of the initial engagement shall be for six months and may be extended upon the mutual assent of the parties.

As compensation for the performance of the above services, KSA proposes a monthly retainer of \$3,000.

Thank you for the opportunity to present this proposal. We look forward to establishing a mutually beneficial relationship .

Sincerely,



Gregory Spiker
President and CEO

**INDEPENDENT CITIES FINANCE AUTHORITY
2014-15 FY BUDGET**

PURPOSE	ESTIMATED	TOTAL
RECEIPTS (ESTIMATED)		\$602,500
Manufactured home community financings (at issuance)	\$ 20,000	
Manufactured home community financings (annual fees)	350,000	
Other financings (at issuance)	20,000	
Other financings (annual fees)	25,000	
Annual administrative/legal/audit fees	50,000	
Home Ownership Lease Purchase Initiative program fees	62,500	
CalHome Mortgage Assistance program fees	75,000	
EXPENDITURES (ESTIMATED)		\$602,500
Board Member Stipends	\$ 10,000	
Staff Services	275,000	
Legal Services	40,000	
Audit Services	30,000	
Legislative Advocacy	68,000	
Community Outreach Program	45,000	
Public Relations/Website	32,000	
Sponsorships/Conferences	20,000	
ICFA Educational Seminars	15,000	
Home Ownership Lease Purchase Initiative	30,000	
CalHome Mortgage Assistance	37,500	

**INDEPENDENT CITIES FINANCE AUTHORITY
BUDGET NOTES
2014-15 FY**

RECEIPTS:	
Manufactured home community financings (at issuance)	Estimated \$100,000,000 of financing. ICFA receives 20 basis points at issuance
Manufactured home community financings (Annual fees)	ICFA receives 10-12 basis points on outstanding balance annually
Other financings (at issuance)	Estimated \$100,000 of financings. ICFA receives 20-25 basis points at issuance
Other financings (annual fees)	ICFA receives 10-12 basis points on outstanding balance annually
Annual audit fees	ICFA receives \$3,000-\$7,000 per issue from bonds per year (based on number of issues)
Home Ownership Lease Purchase Initiative program fees	ICFA receives \$62,500 administrative fees
CalHome Mortgage Assistance program fees	ICFA receives \$75,000 administrative fees
EXPENDITURES:	
Board Member Stipends	Elected Board Members receive \$150 per meeting
Staff Services	Executive Directors receives \$225,000; Field Representative(s) receive \$50,000
Legal Fees	General Legal Counsel – Monthly retainer plus special work
Audit Services	Auditor/Accountant fees
Legislative Advocacy	Legislative advocacy services in Sacramento
Community Outreach Program	\$7,500 per eligible Board Member
Public Relations/Marketing	ICFA newsletters/email blasts, marketing efforts, website maintenance, assistance with seminars, etc.
Sponsorships/Conferences	Sponsorship fees and attendance at conferences
ICFA Educational Seminars	ICFA annual educational conference and webinars throughout the year
Home Ownership Lease Purchase Initiative program fees	Administrative/oversight fees
CalHome Mortgage Assistance program fees	Administrative/oversight fees

AVAILABLE REVENUE:

ICFA will enter the 2014-15 FY with assets of approximately \$400,000 net. It should be noted that ICFA loaned Millennium Housing \$250,000 in 2010 and Augusta Communities \$90,000 in 2013.

AMENDED IN ASSEMBLY MAY 15, 2014
AMENDED IN ASSEMBLY MARCH 24, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2046

SECTION 2. Introduced by Assembly Member Gomez

February 20, 2014

An act to amend Section 6588 of the Government Code, relating to joint exercise of powers, and ~~declaring the urgency thereof, to take effect immediately.~~ powers.

LEGISLATIVE COUNSEL'S DIGEST

AB 2046, as amended, Gomez. Joint exercise of powers: financing. The Joint Exercise of Powers Act authorizes the legislative or other governing bodies of 2 or more public agencies to jointly exercise by agreement any power common to the contracting parties, as specified, and authorizes a joint powers authority to exercise various powers, including, among others, the power to issue bonds, including bonds bearing interest, to pay the cost of any public capital improvement, working capital, or liability or other insurance program, as specified.

This bill would authorize a joint powers authority to issue or cause to be issued bonds and enter into a loan agreement for the financing or refinancing of a project that is situated in another state, including working capital related to that project, if the project and its financing meets certain conditions.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ~~2/3~~ majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6588 of the Government Code is amended
2 to read:
3 6588. In addition to other powers specified in an agreement
4 pursuant to Article 1 (commencing with Section 6500) and Article
5 2 (commencing with Section 6540), the authority may do any or
6 all of the following:
7 (a) Adopt bylaws for the regulation of its affairs and the conduct
8 of its business.
9 (b) Sue and be sued in its own name.
10 (c) (1) Issue bonds, including, at the option of the authority,
11 bonds bearing interest, to pay the cost of any public capital
12 improvement, working capital, or liability or other insurance
13 program.
14 (2) (A) In addition to paragraph (1), for any purpose for which
15 an authority may execute and deliver or cause to be executed and
16 delivered certificates of participation in a lease or installment sale
17 agreement with any public or private entity, the authority, at its
18 option, may issue or cause to be issued bonds, rather than
19 certificates of participation, and enter into a loan agreement with
20 the public or private entity.
21 (B) Notwithstanding Sections 6586 and 6586.5 or any other
22 law, an authority may issue or cause to be issued bonds and enter
23 into a loan agreement, pursuant to subparagraph (A), for the
24 financing or refinancing of a project that is situated in another
25 state, including working capital related to that project, if all of the
26 following apply:
27 (i) The project is owned, developed, or operated by a private
28 entity.
29 (ii) The issuance of bonds by the authority and the financing of
30 the project is approved by resolution, order, or other official
31 action of the city, county, or other public body with land use planning
32 authority over the project, or of the state in which the project is
33 situated. This clause does not apply to the issuance of refunding
34 bonds if a prior financing or refinancing of the project was
35 approved by the city, county, public body, or state.
36 (iii) The authority finds, based on the facts and circumstances
37 attendant to the project or the financing or refinancing of the
38 project, that the issuance of the bonds or the financing or

1 refinancing of the project will result in a substantial public benefit
2 to, and are for a public purpose of, the citizens of this state.

3 (d) Engage the services of private consultants to render
4 professional and technical assistance and advice in carrying out
5 the purposes of this article.

6 (e) As provided by applicable law, employ and compensate
7 bond counsel, fi consultants, and other advisers determined
8 necessary by the authority in connection with the issuance and sale
9 of any bonds.

10 (f) Contract for engineering, architectural, accounting, or other
11 services determined necessary by the authority for the successful
12 development of a public capital improvement.

13 (g) Pay the reasonable costs of consulting engineers, architects,
14 accountants, and construction, land-use, recreation, and
15 environmental experts employed by any sponsor or participant if
16 the authority determines those services are necessary for the
17 successful development of public capital improvements.

18 (h) Take title to, sell by installment sale or otherwise, or lease
19 lands, structures, real or personal property, rights, rights-of-way,
20 franchises, easements, and other interests in lands that are located
21 within the state that the authority determines are necessary or
22 convenient for the financing of public capital improvements, or
23 any portion thereof.

24 (i) Receive and accept from any source, loans, contributions,
25 or grants, in either money, property, labor, or other things of value,
26 for, or in aid of, the construction fi or refi of public
27 capital improvement, or any portion thereof or for the financing
28 of working capital or insurance programs, or for the payment of
29 the principal of and interest on bonds if the proceeds of those bonds
30 are used for one or more of the purposes specified in this section.

31 (j) Make secured or unsecured loans to any local agency in
32 connection with the financing of capital improvement projects,
33 working capital or insurance programs in accordance with an
34 agreement between the authority and the local agency. However,
35 no loan shall exceed the total cost of the public capital
36 improvements, working capital or insurance needs of the local
37 agency as determined by the local agency and by the authority.

38 (k) Make secured or unsecured loans to any local agency in
39 accordance with an agreement between the authority and the local
40 agency to refinance indebtedness incurred by the local agency in

1 connection with public capital improvements undertaken and
2 completed.

3 (l) Mortgage all or any portion of its interest in public capital
4 improvements and the property on which any project is located,
5 whether owned or thereafter acquired, including the granting of a
6 security interest in any property, tangible or intangible.

7 (m) Assign or pledge all or any portion of its interests in
8 mortgages, deeds of trust, indentures of mortgage or trust, or
9 similar instruments, notes, and security interests in property,
10 tangible or intangible, of a local agency to which the authority has
11 made loans, and the revenues therefrom, including payment or
12 income from any interest owned or held by the authority, for the
13 benefit of the holders of bonds issued to finance public capital
14 improvements. The pledge of moneys, revenues, accounts, contract
15 rights, or rights to payment of any kind made by or to the authority
16 pursuant to the authority granted in this part shall be valid and
17 binding from the time the pledge is made for the benefit of the
18 pledgees and successors thereto, against all parties irrespective of
19 whether the parties have notice of the claim.

20 (n) Lease the public capital improvements being financed to a
21 local agency, upon terms and conditions that the authority deems
22 proper; charge and collect rents therefor; terminate any lease upon
23 the failure of the lessee to comply with any of the obligations of
24 the lease; include in any lease provisions that the lessee shall have
25 options to renew the lease for a period or periods, and at rents as
26 determined by the authority; purchase or sell by an installment
27 agreement or otherwise any or all of the public capital
28 improvements; or, upon payment of all the indebtedness incurred
29 by the authority for the financing or refinancing of the public
30 capital improvements, the authority may convey any or all of the
31 project to the lessee or lessees.

32 (o) Charge and apportion to local agencies that benefit from its
33 services the administrative costs and expenses incurred in the
34 exercise of the powers authorized by this article. These fees shall
35 be set at a rate sufficient to recover, but not exceed, the authority's
36 costs of issuance and administration. The fee charged to each local
37 obligation acquired by the pool shall not exceed that obligation's
38 proportionate share of those costs. The level of these fees shall be
39 disclosed to the California Debt and Investment Advisory
40 Commission pursuant to Section 6599.1.

- 1 (p) Issue, obtain, or aid in obtaining, from any department or
2 agency of the United States or of the state, or any private company,
3 any insurance or guarantee to, or for, the payment or repayment
4 of interest or principal, or both, or any part thereof, on any loan,
5 lease, or obligation or any instrument evidencing or securing the
6 same, made or entered into pursuant to this article.
- 7 (q) Notwithstanding any other provision of this article, enter
8 into any agreement, contract, or any other instrument with respect
9 to any insurance or guarantee; accept payment in the manner and
10 form as provided therein in the event of default by a local agency;
11 and assign any insurance or guarantee that acts as security for the
12 authority's bonds.
- 13 (r) Enter into any agreement or contract, execute any instrument,
14 and perform any act or thing necessary, convenient, or desirable
15 to carry out any power authorized by this article.
- 16 (s) Invest any moneys held in reserve or sinking funds, or any
17 moneys not required for immediate use or disbursement, in
18 obligations that are authorized by law for the investment of trust
19 funds.
- 20 (t) At the request of affected local agencies, combine and pledge
21 revenues to public capital improvements for repayment of one or
22 more series of bonds issued pursuant to this article.
- 23 (u) Delegate to any of its individual parties or other responsible
24 individuals the power to act on its behalf subject to its general
25 direction, guidelines, and oversight.
- 26 (v) Purchase, with the proceeds of its bonds or its revenue, bonds
27 issued by any local agency at public or negotiated sale. Bonds
28 purchased pursuant to this subdivision may be held by the authority
29 or sold to public or private purchasers at public or negotiated sale,
30 in whole or in part, separately or together with other bonds issued
31 by the authority.
- 32 (w) Purchase, with the proceeds of its bonds or its revenue, VLF
33 receivables sold to the authority pursuant to Section 6588.5. VLF
34 receivables so purchased may be pledged to the payment of bonds
35 issued by the authority or may be resold to public or private
36 purchasers at public or negotiated sale, in whole or in part,
37 separately or together with other VLF receivables purchased by
38 the authority.
- 39 (x) (1) Purchase, with the proceeds of its bonds or its revenue,
40 Proposition 1A receivables pursuant to Section 6588.6. Proposition

1 1A receivables so purchased may be pledged to the payment of
2 bonds issued by the authority or may be resold to public or private
3 purchasers at public or negotiated sales, in whole or in part,
4 separately or together with other Proposition 1A receivables
5 purchased by the authority.

6 (2) (A) All entities subject to a reduction of ad valorem property
7 tax revenues required under Section 100.06 of the Revenue and
8 Taxation Code pursuant to the suspension set forth in Section
9 100.05 of the Revenue and Taxation Code shall be afforded the
10 opportunity to sell their Proposition 1A receivables to the authority.

11 (B) If these entities offer Proposition 1A receivables to the
12 authority for purchase and duly authorize the sale of the Proposition
13 1A ~~receivable~~-receivables pursuant to documentation approved
14 by the authority, the authority shall purchase all Proposition 1A
15 receivables so offered to the extent it can sell bonds therefor. If
16 the authority does not purchase all Proposition 1A receivables
17 offered, it shall purchase a pro rata share of each entity's offered
18 Proposition 1A receivables.

19 (C) The authority may establish a deadline, no earlier than
20 November 3, 2009, by which these entities shall offer their
21 Proposition 1A receivables for sale to the authority and complete
22 the application required by the authority.

23 (3) For purposes of meeting costs incurred in performing its
24 duties relative to the purchase and sale of Proposition 1A
25 receivables, the authority shall be authorized to charge a fee to
26 each entity from which it purchases a Proposition 1A receivable.
27 The fee shall be computed based on the percentage value of the
28 Proposition 1A receivable purchased from each entity, in relation
29 to the value of all Proposition 1A receivables purchased by the
30 authority. The amount of the fee shall be paid from the proceeds
31 of the bonds and shall be included in the principal amount of the
32 bonds.

33 (4) Terms and conditions of any and all fees and expenses
34 charged by the authority, or those it contracts with, and the terms
35 and conditions of sales of Proposition 1A receivables and bonds
36 issued pursuant to this subdivision, including the terms of optional
37 early redemption provisions, if any, shall be approved by the
38 Treasurer and the Director of Finance, who shall not unreasonably
39 withhold their approval. The aggregate principal amount of all
40 bonds issued pursuant to this subdivision shall not exceed two

1 billion two hundred fifty million dollars (\$2,250,000,000), and the
2 rate of interest paid on those bonds shall not exceed 8 percent per
3 annum. The authority shall exercise its best efforts to obtain the
4 lowest cost financing possible. Any and all premium obtained shall
5 be used for either of the following:

- 6 (A) Applied to pay the costs of issuance of the bonds.
- 7 (B) Deposited in a trust account that is pledged to bondholders
8 and used solely for the payment of interest on, or for repayment
9 of, the bonds.

10 (5) (A) In connection with any financing backed by Proposition
11 1A receivables, the Treasurer may retain financial advisors, legal
12 counsel, and other consultants to assist in performing the duties
13 required by this chapter and related to that financing.

- 14 (B) Notwithstanding any other law, none of the following shall
15 apply to any agreements entered into by the Treasurer pursuant to
16 subparagraph (A) in connection with any Proposition 1A financing

- 17 (i) Section 11040 of the Government Code.
- 18 (ii) Section 10295 of the Public Contract Code.
- 19 (iii) Article 3 (commencing with Section 10300) and Article 4
20 (commencing with Section 10335) of, Chapter 2 of Part 2 of
21 Division 2 of the Public Contract Code, except for the authority
22 of the Department of Finance under Section 10336 of the Public
23 Contract Code to direct a state agency to transmit to it a contract
24 for review, and except for Section 10348.5 of the Public Contract
25 Code.

- 26 (C) Any costs incurred by the Treasurer in connection with any
27 Proposition 1A financing shall be reimbursed out of the proceeds
28 of the financing.
- 29 (y) Set any other terms and conditions on any purchase or sale
30 pursuant to this section as it deems by resolution to be necessary,
31 appropriate, and in the public interest, in furtherance of the
32 purposes of this article.

33 ~~SEC. 2. This act is an urgency statute necessary for the~~
34 ~~immediate preservation of the public peace, health, or safety within~~
35 ~~the meaning of Article IV of the Constitution and shall go into~~
36 ~~immediate effect. The facts constituting the necessity are:~~
37 ~~In order to timely provide essential bonding authority for the~~
38 ~~funding of multi-state, public-private projects that are necessary~~
39 ~~to ensure California's national and international competitiveness~~

1 and public benefits in this state, it is necessary that this act take
2 effect immediately.

O

97